

## **C.7**

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: February 1, 2005

SUBJECT: **APPROVAL OF THE UPDATED AGREEMENT FOR WATER  
DISTRIBUTION BETWEEN CITY OF BELLEVUE AND CITY OF  
REDMOND**

### **I. RECOMMENDED ACTION**

Authorize the Mayor to execute on behalf of the City of Redmond an updated agreement with the City of Bellevue for water distribution substantially in the form as attached.

### **II. DEPARTMENT CONTACT PERSONS**

David Rhodes, Director of Public Works	556-2705
Bill Campbell, City Engineer/Assistant Director of Public Works	556-2733
Scott Thomasson, Utility Engineering Manager	556-2829

### **III. DESCRIPTION**

The original agreement between Bellevue and Redmond dates back to November 7, 1972 after the City of Bellevue assumed Water District No. 99. The 1972 agreement established the terms for water service, jointly-owned and joint-used facilities for this ongoing agreement. This proposed agreement updates the most recent Interlocal Agreement dated November 6, 1998, for water supply and distribution.

The primary changes being proposed to the existing agreement are due the change from Seattle to the Cascade Water Alliance as the water purveyor for both cities. Under the existing agreement, Seattle would sell water to the City of Bellevue which in turn would sell it to the City of Redmond. The City of Redmond now pays

Cascade Water Alliance (Cascade) directly for the water so the purchase and payment sections of the agreement have been eliminated and the reporting sections have been modified. Other minor adjustments have been made to the agreement including meter testing and calibration and identification of the NE 40<sup>th</sup> Street transmission main.

**IV. IMPACT**

- A. Service/Delivery: There are no service impacts.
- B. Fiscal: There is no net fiscal impact but water purchases are now directly from Cascade and not through the City of Bellevue.

**V. ALTERNATIVES**

These changes are required due to our new contracts with Cascade.

**VI. TIME CONSTRAINTS**

The agreement effective date is established as January 1, 2004, the date the Seattle supply transferred to Cascade.

**VII. LIST OF ATTACHMENTS**

- A. Proposed Agreement for Water Distribution
- B. Existing Agreement for Water Supply

**s/s**  
\_\_\_\_\_  
David Rhodes, Director of Public Works

**1/21/05**  
\_\_\_\_\_  
Date

Approved for Council Agenda **s/s**  
\_\_\_\_\_  
Rosemarie Ives, Mayor

**1/25/05**  
\_\_\_\_\_  
Date

## AGREEMENT FOR WATER DISTRIBUTION BETWEEN THE CITY OF BELLEVUE AND THE CITY OF REDMOND

This Interlocal Agreement is made and entered into by and between the City of Bellevue, hereinafter referred to as “Bellevue”, a municipal corporation of the State of Washington, and the City of Redmond, hereinafter referred to as “Redmond”, a municipal corporation of the State of Washington.

WHEREAS, there currently exists an Interlocal Agreement dated November 6, 1998, between Bellevue and Redmond, providing for the operation of a water supply and distribution system within the service areas specified in said agreement; and

WHEREAS, Bellevue and Redmond are members of Cascade Water Alliance (Cascade) which is now the wholesale water supplier for the cities; and

WHEREAS, it is necessary and desirable to enter into a new Interlocal Agreement between Bellevue and Redmond which updates the respective duties and responsibilities of said cities with respect to distribution of water supplied by Cascade within the respective service areas of said cities; and

WHEREAS, it is in the interests of the public served by both Bellevue and Redmond to enter into a new Interlocal Agreement;

NOW, THEREFORE, it is covenanted and agreed as follows:

1. **Purpose.** The purpose of this Interlocal Agreement is to provide for the respective responsibilities and obligations of Bellevue and Redmond to provide for the operation and maintenance of water supply facilities within the common service area set forth in the Agreement.
2. **Joint-use/Ownership Distribution Mains.** The existing watermains listed below are to be classified as joint-use/ownership. Each city shall have a 50 percent (50%) ownership of these joint-use/ownership mains. The city identified as having responsibilities for each

watermain is responsible for all maintenance and operation of the watermain, including mainline valves, hydrants and hydrant piping. Each city is responsible for maintenance and repair of its own individual service lines (including saddles, corporation stops and any valves) and any mainline connection to a joint-use/ownership main. The cost of replacement of a joint-use/ownership main shall be shared equally between each city. The city identified as having responsibility for each joint-use/ownership main shall have the authority to determine when the joint-use/ownership main needs to be replaced. Each city shall provide at least two years notice of any scheduled replacement to the other city so budget impacts can be planned for.

**Joint-Use/Ownership Distribution Mains:**

- A. Existing watermain on 148<sup>th</sup> Avenue NE between NE 20 Street and NE 51<sup>st</sup> Street - City of Bellevue's responsibility.
- B. Existing watermain on NE 20<sup>th</sup> Street and Bellevue-Redmond Road from 148<sup>th</sup> Avenue NE to 156<sup>th</sup> Avenue NE – City of Redmond's responsibility.
- C. Existing watermain on 156<sup>th</sup> Avenue NE from Bellevue-Redmond Road to NE 28<sup>th</sup> Street – City of Redmond's responsibility.

**Joint-Use/Ownership Transmission Mains:**

The existing watermain listed below were constructed pursuant to an "Agreement for Construction, Operation and Maintenance of Joint-Use Storage and Pumping Facility" dated September 28, 1990. The ownership in these mains is 56% Bellevue and 44% Redmond according to the terms of that Agreement.

- Existing transmission main on NE 40<sup>th</sup> Street between the Seattle meter at 140<sup>th</sup> Avenue NE and the joint-use pump station and reservoir.

This section is not intended to amend the terms of said Agreement but to document the water mains constructed under the terms of said Agreement.

3. **Service Area.** Redmond and Bellevue have established their common service area boundary to be as shown on Exhibit 1. Each city shall be the direct provider of water service within its service area boundary except for those properties shown on Exhibit 1 or defined by subsequent amendment to this Agreement.

Unless otherwise agreed, ownership and water service responsibilities for any non-joint-use watermain, services and customers are placed with the city in which they exist.

Within the Redmond service area there are hereby established “direct read meter areas” and a “master meter area”. The boundaries for direct read meter areas are shown on Exhibit 1. Remaining areas within Redmond with water delivered under this Agreement are in the master meter area.

Within the Bellevue service area there is hereby established a “direct read meter area” as shown on Exhibit 1 for water delivered by Redmond.

#### **4. Metering**

##### **A. Master Meter Areas**

- 1) Redmond. Redmond shall operate and maintain three master meters to measure the quantity of water entering the Redmond master meter area. The location of the meters are as follows:

- a. NE 40<sup>th</sup> Street between SR 520 and 156<sup>th</sup> Avenue NE.
- b. 156<sup>th</sup> Avenue NE between NE 31<sup>st</sup> Street and NE 36<sup>th</sup> Street.
- c. NE 24<sup>th</sup> Street between 171<sup>st</sup> Avenue NE and 173<sup>rd</sup> Avenue NE.

The meters shall be maintained to provide 98 percent (98%) accuracy for a flow range between 50 gpm and 1,000 gpm.

- 2) Bellevue. Bellevue shall operate and maintain one master meter to measure the quantity of water leaving the Redmond master meter area. The location of the meter is as follows:

- a. Bellevue-Redmond Road between NE 32<sup>nd</sup> Street and NE 35<sup>th</sup> Street. The meter shall be maintained to provide 98 percent (98%) accuracy for a flow range between 50 gpm and 1,000 gpm.

- 3) Ownership/Maintenance. Each city shall own its respective master meters and shall provide routine operation and maintenance.

B. Direct Read Meter Areas.

- 1) Redmond. The City of Redmond shall construct, operate, and maintain individual service meters to all water users to measure the quantity of flow consumed in the Redmond direct read meter area. These meters shall be the standard distribution meters used by the City of Redmond.
- 2) Bellevue. The City of Bellevue shall construct, operate, and maintain individual service meters to all water users to measure the quantity of flow consumed in the Bellevue direct read meter area. These meters shall be the standard distribution meters used by the City of Bellevue.
- 3) Ownership/Maintenance. Each city shall own all individual service meters in its service area and shall provide routine operation and maintenance.

C. Calibration and Replacement of Meters. All meters two (2) inches and smaller shall be replaced after 20 years of service from the time of installation. All meters three (3) inches and larger shall be calibrated at regular intervals to provide for proper measurement of water usage. Meters shall be calibrated according to the following schedule:

- 1) Master Meters: The first quarter of every odd numbered year.
- 2) All meters three (3) inches and larger: Every five (5) years.

The cost of meter calibration or replacement shall be paid by the owner of the meter. Any meter with accuracy limits which do not meet or exceed those listed in the latest edition of the AWWA Manual M6 under “Accuracy Limits for Removal from Service” shall be replaced by the owner of the meter. Each city shall provide a calibration and replacement report to the other city on an annual basis.

5. **Interconnection or Extensions with Other Parts of Redmond Water Systems.**

Redmond agrees not to interconnect the water system within the direct read meter areas to other parts of its water system or customers outside the direct read meter areas without the written (or oral, in case of emergency) approval of Bellevue.

6. **Distribution of Water.** Any restriction of the distribution of water to Redmond shall be on an equitable basis in relation to the service provided to Bellevue customers in the general vicinity.

7. **Water Consumption Reporting.**

- A. Determining consumption. Redmond shall read the individual service meters in the Redmond direct read meter areas. All meters shall be read monthly or bi-monthly. The Redmond direct read meter area consumption shall be determined by summing the consumption of all individual service meters then multiplying the total by 1.11. (The factor is to provide for unaccounted system losses of 10% of the total direct meter area usage.)

Redmond shall read the Redmond master meters monthly and the Bellevue master meter monthly. The total master meter consumption shall be determined by summing the totalized flow of the three Redmond master meters and subtracting the totalized flow of the Bellevue master meter.

Bellevue shall read the individual service meters in the Bellevue direct read meter areas. All meters shall be read monthly or bi-monthly. The Bellevue direct read meter area consumption shall be determined by summing the consumption of all individual service meters then multiplying the total by 1.11. (The factor is to provide for unaccounted system losses of 10% of the total direct meter area usage.)

- B. Reporting Consumption. Each city shall report to the other city and to Cascade the total individual service meter consumption and the calculated direct read meter area

consumption. Redmond shall report to Bellevue and Cascade the master meter totalized flow. Each city shall report consumption data to the other city on a quarterly basis. Each city may request a report of the other city listing all meters within the direct meter area. This report shall be provided to the other city for its use in verifying that all direct read metered consumption is being reported.

8. **Old Water Allowance.** To the extent there is any current or future benefit from “old water” provisions of prior Seattle Water Purveyor Contracts the following “old water” allowances are hereby allocated from Bellevue’s water usage to Redmond (hundreds of cubic feet):

	<u>Month</u>	<u>Cumulative</u>
January	17,656	17,656
February	17,235	34,891
March	14,686	49,577
April	18,425	68,002
May	16,794	84,796
June	23,462	108,258
July	22,386	130,644
August	29,010	159,654
September	29,897	189,551
October	27,946	217,497
November	23,128	240,625
December	<u>20,667</u>	261,292
	261,292	

9. **Responsibility for Damages, Repair and Replacement.** Redmond and Bellevue shall each be separately responsible for maintenance, repair and replacement of those facilities which are solely owned by such city. In the event of damages, repair, replacement, and maintenance of joint-use watermain where each city has a 50 percent (50%) ownership of such main pursuant to Section 2 of this Agreement, the cities shall each contribute to the cost of such repair, replacement, or maintenance on a 50/50 percent basis. To the extent that any joint ownership main is damaged in whole or part by the negligent activities of one of the cities, the city so causing such damage shall, in addition to its obligation to pay 50 percent (50%) of the cost of repair, replacement, or maintenance pursuant to the preceding



paragraph, also pay the same percentage of the remaining expense as its degree of negligence bears to 100 percent (100%).

10. **Liability/Hold Harmless.** Bellevue shall indemnify, defend, and hold harmless Redmond, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys fees, arising from injury or death to persons or damage to property occasioned by any act, omission, or failure of Bellevue, its officers, agents, and employees, in the performance of this Agreement. With respect to the performance of this Agreement and as to claims against Redmond, its officers, agents, and employees, Bellevue expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Bellevue. This paragraph shall not apply to any damage resulting from the negligence of Redmond, its agents, and employees. To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of Redmond, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Bellevue, its officers, agents, and employees.

Redmond shall indemnify, defend and hold harmless Bellevue, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys fees, arising from injury or death to persons or damage to property occasioned by any act, omission, or failure of Redmond, its officers, agents and employees, in the performance of this Agreement. With respect to the performance of this Agreement and as to claims against Bellevue, its officers, agents, and employees, Redmond expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Redmond. This paragraph shall not apply to any damage resulting from the negligence of Bellevue, its agents, and employees. To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of

Bellevue, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Redmond, its officers, agents, and employees.

11. **Dispute Resolution.** Each city shall designate representatives for the purposes of administering this Agreement and resolving disputes arising from this Agreement. Each city shall notify the other in writing of its designated representatives. Each city may change its designated representatives on notice to the other.

Disputes that cannot be resolved by the representatives designated herein shall be referred to the chief executive officer of each city for mediation and/or settlement. If not resolved by them within sixty (60) days, either city, or both of them, may file a demand for arbitration, in which event the issues shall be submitted to an arbitrator acceptable to both parties and the matter shall be arbitrated pursuant to the rules and procedures of the American Arbitration Association. The decision of the arbitrator shall be final and binding on both cities.

12. **Modification of Agreement.** This Agreement may only be modified in writing signed by both cities.
13. **Severability.** If any provision of this Interlocal Agreement shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which could be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.
14. **Effective Date.** This agreement shall take effect on January 1, 2004.
15. **Repeal.** Upon the effective date of this agreement, the previous Interlocal Agreement dated November 6, 1998 between Bellevue and Redmond is no longer in effect.

HEREBY AGREED TO AND ACCEPTED on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

CITY OF BELLEVUE

CITY OF REDMOND

By: \_\_\_\_\_  
Steve Sarkozy, City Manager

By: \_\_\_\_\_  
Rosemarie Ives, Mayor

Approved as to form:

Approved as to form:

By: \_\_\_\_\_  
Assistant City Attorney

By: \_\_\_\_\_  
City Attorney

ORIGINAL

AGREEMENT FOR WHOLESALE WATER SUPPLY  
BETWEEN THE CITY OF BELLEVUE AND THE CITY OF REDMOND

FILED NO. 26379  
CITY OF BELLEVUE  
DATE 4/6/98  
M. Rose  
CITY CLERK'S OFFICE

This Interlocal Agreement is made and entered into by and between the City of Bellevue, hereinafter referred to as "Bellevue", a municipal corporation of the State of Washington, and the City of Redmond, hereinafter referred to as "Redmond", a municipal corporation of the State of Washington.

WHEREAS, there currently exists an Interlocal Agreement dated July 19, 1990, between Bellevue and Redmond, providing for the operation of a water supply and distribution system within the service areas specified in said agreement; and

WHEREAS, it is necessary and desirable to enter into a new Interlocal Agreement between Bellevue and Redmond which updates the respective duties and responsibilities of said cities with respect to distribution of water supply within the respective service areas of said cities; and

WHEREAS, it is in the interests of the public served by both Bellevue and Redmond to enter into a new Interlocal Agreement;

NOW, THEREFORE, it is covenanted and agreed as follows:

1. Purpose. The purpose of this Interlocal Agreement is to provide for the respective responsibilities and obligations of Bellevue and Redmond to provide for the construction, operation, and maintenance of water supply facilities within the common service area set forth in this Agreement.

2. Joint-use/Ownership Watermains. The existing watermains listed below are to be classified as joint-use/ownership. Each city shall have a 50 percent (50%) ownership of the joint-use/ownership mains. The city identified as having responsibility for each watermain is responsible for all maintenance and operation of the watermain, including mainline valves, hydrants and hydrant piping. Each city is responsible for maintenance and repair of its own individual service lines (including saddles, corporation stops and any valves) and any mainline connection to a joint-use/ownership main. The cost of replacement of a joint-use/ownership main shall be shared equally between each city. The city identified as having responsibility for each joint-use/ownership main shall have the authority to determine when the joint-use/ownership main needs to be replaced. Each city shall provide at least two years notice of any scheduled replacement to the other city so budget impacts can be allotted for.

Joint-Use/Ownership Watermains:

A. Existing watermain on 148th Avenue between NE 20 Street and NE 51st Street - City of Bellevue's responsibility.

B. Existing watermain on NE 20th Street and Bellevue-Redmond Road from 148th Avenue NE to 156th Avenue NE - City of Redmond's responsibility.

C. Existing watermain on 156th Avenue NE from Bellevue-Redmond Road to NE 28th Street - City of Redmond's responsibility.

3. Service Area. Redmond and Bellevue have established their common service area boundary to be as shown on Exhibit 1. Each city shall be the direct provider of water service within its service area boundary except for those properties shown on Exhibit 1 or defined by subsequent amendment to this Agreement.

Unless otherwise agreed, ownership and water service responsibilities for any non-joint-use watermain, services and customers are placed with the city in which they exist.

Within the Redmond service area there are hereby established "direct read meter areas" and a "master meter area". The boundaries for direct read meter areas are shown on Exhibit 1. Remaining areas within Redmond and supplied by Bellevue are in the master meter area.

Within the Bellevue service area there is hereby established a "direct read meter area" as shown on Exhibit 1 for water supplied by Redmond.

4. Metering

A. Master Meter Areas

1) Redmond. Redmond shall construct, operate, and maintain three master meters to measure the quantity of water entering the Redmond master meter area. The location of the meters shall be as follows:

- a. NE 40th Street between SR 520 and 156th Avenue.
- b. 156th Avenue NE between NE 31st Street and NE 36th Street.
- c. NE 24th Street between 171st Avenue and 173rd Avenue.

The meters shall be designed to provide 98 percent (98%) accuracy for a flow range between 50 gpm and 1,000 gpm.

2) Bellevue. Bellevue shall construct, operate, and maintain one master meter to measure the quantity of water leaving the Redmond master meter area. The location of the meter shall be as follows:

- a. Bellevue-Redmond Road between NE 32nd Street and NE 35th Street.

The meter shall be designed to provide 98 percent (98%) accuracy for a flow range between 50 gpm and 1,000 gpm.

3) Ownership/Maintenance. Each city shall own its respective master meters and shall provide routine operation and maintenance.

**B. Direct Read Meter Areas.**

1) Redmond. The City of Redmond shall construct, operate, and maintain individual service meters to all water users to measure the quantity of flow consumed in the Redmond direct read meter area. These meters shall be the standard distribution meters used by the City of Redmond.

2) Bellevue. The City of Bellevue shall construct, operate, and maintain individual service meters to all water users to measure the quantity of flow consumed in the Bellevue direct read meter area. These meters shall be the standard distribution meters used by the City of Bellevue.

3) Ownership/Maintenance. Each city shall own all individual service meters in its service area and shall provide routine operation and maintenance.

**C. Calibration of Meters.** All meters shall be calibrated at regular intervals to provide for proper measurement of water usage. Meters shall be calibrated according to the following schedule:

- 1) Master Meters                      January of even numbered years
- 2) Individual service meters in direct read areas:
  - a. over 2 inches                      Every 5 years
  - b. 2 inches and smaller              Every 10 years

The cost of meter calibration shall be paid by the owner of the meter. Any meter with accuracy limits which do not meet or exceed those listed in the latest edition of the AWWA Manual M6 under "Accuracy Limits for Removal from Service" shall be replaced by the owner of the meter.

5. Flushing Allowance. An allowance for actual water used for watermain and tank flushing as stipulated in the water purveyor contract, dated November 1981, between Bellevue and Seattle will be credited to Redmond; provided, however, that Redmond shall furnish Bellevue a certified statement of actual flushing water used by measurement, or calculated by formula acceptable to Bellevue.

6. Interconnection or Extensions with Other Parts of Redmond Water Systems. Redmond agrees not to interconnect the water system within the direct read meter areas, to other parts of its water system or customers outside the direct read meter areas without the written (or oral, in case of emergency) approval of Bellevue.

7. Supply of Water. Any restriction of the supply of water to Redmond shall be on an equitable basis in relation to the service provided to other customers of the water system in the general vicinity.

If noncompatible water sources are used in the future, the city desiring to make the change shall negotiate such change with the other city. To change may result in cross ties being installed at the changing city's expense.

8. Cost of Water. Water Purveyor Rate. It is agreed that the Water Purveyor's rate to be charged to Redmond shall be the rate charged by the City of Seattle. The City of Seattle rate shall be computed to include: Old and new water costs, any demand charges that are related to or caused by Redmond, seasonal charges, conservation charges or any other charge applied by the City of Seattle.

In addition to the water rate charge, Redmond shall pay a fixed monthly charge of \$2,800 per month in 1998 dollars to recover administrative overhead costs by Bellevue plus \$165 fixed monthly meter charges from Seattle. The fixed monthly charge is based on a report entitled *Redmond Wholesale Water Overhead Charge Calculation* dated 5 June 1998 by Financial Consulting Solutions Group, Inc. (FCSG). The meter charges are based on 44% of the Seattle meter charges to Bellevue for the NE 40th inlet meter.

Bellevue may adjust the fixed monthly charges to account for the increased meter charges by Seattle, inflation, and increased administrative costs. Adjustments shall be based on the same approach used in the analysis completed by FCSG.

9. Billing.

A. Determining Usage. Redmond shall read the individual service meters in the Redmond direct read meter area. All meters shall be read monthly or bi-monthly. The Redmond direct read meter area usage shall be determined by summing the usage of all individual service meters then multiplying the total by 1.111. (The factor is to provide for unaccounted system losses of 10.0 % of the total direct meter area usage.)

Redmond shall read the Redmond master meters monthly and the Bellevue master meter monthly. The total master meter usage shall be determined by summing the usage of the three Redmond master meters and subtracting the usage of the Bellevue master meter.

Bellevue shall read the individual service meters in the Bellevue direct read meter area. All meters shall be read monthly or bi-monthly. The Bellevue direct read meter area usage shall be determined by summing the usage of all individual service meters then multiplying the total by 1.111. (The factor is to provide for unaccounted system losses 10.0% of the total direct meter area usage.)

B. Reporting Usage. Each city shall report to the other city within 30 days of meter reading the total individual service meter usage and the calculated direct read meter area usage from this report shall include a list of all individual meters and accounts and usages in January of each year. Each city shall

prepare a report, listing all meters within the direct meter area which shall highlight any meters added or deleted within the previous calendar year. This report shall be provided to the other city for its use in verifying that all metered usage is being reported. This report shall also identify which meters were calibrated within the calendar year. Redmond shall report to Bellevue within 30 days of reading the master meter usage.

C. Payment. Redmond shall submit a monthly payment to Bellevue based on water volume read for the specific billing period. The Bellevue direct read meter area usage shall be shown and deducted from the Redmond direct read meter area usage to determine the Redmond payment amount. Submitted with the payment shall be a report listing the water usage of all the individual and master meters for the specific billing.

10. Old Water Allowance. The following is Redmond's old water consumption allowances, based on water usage from January, 1979 through December, 1981. Any consumption in excess of the allowance shall be classified as new consumption and charged under Seattle's Growth Charge rate:

	<u>Month</u>	<u>Cumulative</u>
January	17,656	17,656
February	17,235	34,891
March	14,686	49,577
April	18,425	68,002
May	16,794	84,796
June	23,462	108,258
July	22,386	130,644
August	29,010	159,654
September	29,897	189,551
October	27,946	217,497
November	23,128	240,625
December	<u>20,667</u>	261,292
Yearly Total	261,292	

11. Responsibility for Damages, Repair and Replacement. Redmond and Bellevue shall each be separately responsible for maintenance, repair and replacement of those facilities which are solely owned by such city. In the event of damages, repair, replacement, and maintenance of joint-use watermain where each city has a 50 percent (50%) ownership of such main pursuant to Section 2 of this Agreement, the cities shall each contribute to the cost of such repair, replacement, or maintenance on a 50/50 percent basis.



To the extent that any joint ownership main is damaged in whole or part by the negligent activities of one of the cities, the city so causing such damage shall, in addition to its obligation to pay 50 percent of the cost of repair, replacement, or maintenance pursuant to the preceding paragraph, also pay the same percentage of the remaining expense as its degree of negligence bears to 100 percent.

12. Liability/Hold Harmless. Bellevue shall indemnify, defend, and hold harmless Redmond, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys fees, arising from injury or death to persons or damage to property occasioned by any act, omission, or failure of Bellevue, its officers, agents, and employees, in the performance of this Agreement. With respect to the performance of this Agreement and as to claims against Redmond, its officers, agents, and employees, Bellevue expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Bellevue. This paragraph shall not apply to any damage resulting from the negligence of Redmond, its agents, and employees. To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of Redmond, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Bellevue, its officers, agents, and employees.

Redmond shall indemnify, defend and hold harmless Bellevue, its officers, agents, and employees, from and against any and all claims, losses, or liability, including attorneys fees, arising from injury or death to persons or damage to property occasioned by any act, omission, or failure of Redmond, its officers, agents, and employees, in the performance of this Agreement. With respect to the performance of this Agreement and as to claims against Bellevue, its officers, agents, and employees, Redmond expressly waives its immunity under Title 51 of the Revised Code of Washington, the Industrial Insurance Act, for injuries to its employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this paragraph extends to any claim brought by or on behalf of any employee of Redmond. This paragraph shall not apply to any damage resulting from the negligence of Bellevue, its agents, and employees. To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of Bellevue, its agents, or employees, this obligation to indemnify, defend and hold harmless is valid and enforceable only to the extent of the negligence of Redmond, its officers, agents, and employees.

13. Dispute Resolution. Each city shall designate representatives for the purposes of administering this Agreement and resolving disputes arising from this Agreement. Each city shall notify the other in writing of its designated representatives. Each city may change its designated representatives on notice to the other.

Disputes that cannot be resolved by the representatives designated herein shall be referred to the chief executive officer of each city for mediation and/or settlement. If not resolved by them within sixty (60) days, either city, or both of them, may file a demand for arbitration, in which event the issues shall be submitted to an arbitrator acceptable to both parties and the matter shall be arbitrated pursuant to the rules and procedures of the American Arbitration Association. The decision of the arbitrator shall be final and binding on both cities.

14. Modification of Agreement. This Agreement may only be modified in writing signed by both cities.

15. Severability. If any provision of this Interlocal Agreement shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which could be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

16. Effective Date. This agreement shall take effect on January 1, 1999.

17. Repeal. Upon the effective date of this agreement, the previous Interlocal Agreement dated July 19, 1990 between Bellevue and Redmond is no longer in effect.

HEREBY AGREED TO AND ACCEPTED on this the <sup>6<sup>th</sup></sup> ~~14~~ day of Nov, 1998.

CITY OF BELLEVUE

By: Steve Bauer  
Steve Bauer, City Manager

Approved as to form:

By: [Signature]  
Assistant City Attorney

CITY OF REDMOND

By: [Signature]  
Rosemarie Ives, Mayor

Approved as to form:

By: [Signature]  
City Attorney

# EXHIBIT 1

## SERVICE AREA BOUNDARY AND DIRECT READ METER AREAS

